



Rule(s) Review Checklist Addendum
(This form must be filled out electronically.)

This form is to be used only if the rule(s) was/were previously reviewed, and has/have not been amended/repealed subsequent to that review.

All responses should be in **bold** format.

Document(s) Reviewed (include title): **WAC 458-0-19301 Multiple Activities Tax Credits**

Date last reviewed: **June 14, 2000**

Reviewer: **JoAnne Gordon**

Date current review completed: **April 23, 2003**

Briefly explain the subject matter of the document(s):

WAC 458-20-19301 (Rule 19301) explains the provisions and application of the multiple activities tax credit (MATC) for manufacturers and extractors who sell their products intrastate (within Washington) or interstate (between Washington and other states) commerce.

Type an "X" in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

1. Public requests for review:

YES	NO	
	X	Is this document being reviewed at this time because of a public (e.g., taxpayer or business association) request?

If "yes," provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request.

2. Related statutes, interpretive and/or policy statements, court decisions, BTA decisions, and WTDs: (Excise Tax Advisories (ETAs), Property Tax Advisories and Bulletins (PTAs/PTBs), and Interim Audit Guidelines (IAGs) are considered interpretive and/or policy statements.)

YES	NO	
	X	Are there any statutory changes subsequent to the previous review of this rule that should be incorporated?
	X	Are there any interpretive or policy statements not identified in the previous review of this rule that should be incorporated? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any interpretive or policy statements that should be repealed because the information is currently included in this or another rule, or the



		information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
	X	Are there any Board of Tax Appeals (BTA) decisions, court decisions, or Attorney General Opinions (AGOs) subsequent to the previous review of this rule that provide information that should be incorporated into this rule?
	X	Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) subsequent to the previous review of this rule that provide information that should be incorporated into the rule?
	X	Are there any changes to the recommendations in the previous review of this rule with respect to any of the types of documents noted above? (An Ancillary Document Review Supplement should be completed if any changes are recommended with respect to an interpretive or policy statement.)

If the answer is "yes" to any of the questions above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.

ETA 543.04.19301 Eligibility of Taxes for Multiple Activities Tax Credits (MATC) provides a noninclusive list of taxes from other jurisdictions that are eligible and ineligible for the MATC. The information included in the ETA is lengthy and subject to change. Consequently, the information this provides is best retained in an interpretive statement.

3. Additional information: Identify any additional issues (other than those noted above or in the previous review) that should be addressed or incorporated into the rule. Note here if you believe the rule can be rewritten and reorganized in a more clear and concise manner.

- **For readability purposes, subsection titles should appear in bold print.**
- **Subsection (5)(d) provides that the Department will publish an excise tax bulletin that the Department will publish identifying current taxes in other jurisdictions that qualify or don't qualify for the multiple activities tax credit. Because the Department no longer issues excise tax bulletins, this reference should be changed to "excise tax advisory" or "interpretive statement."**
- **Subsection (6)(d) explains the application of the MATC when reporting under either the manufacturing or extracting classification and the selling classifications would cause gross receipts to exceed the minimum taxable amount. Subsection (6)(d)(i) provides an example. The "below minimum" threshold was replaced with the small business B&O tax credit effective July 1, 1994. At such time as Rule 19301 is revised, the drafter should consider eliminating these subsections and referring the reader to WAC 458-20-104 for information about the application of the MATC in combination with the small business credit.**
- **Subsection (8) explains that all external and internal credits with respect to multiple activities are to be taken when any gross receipts taxes. It also explains that except as specifically noted by the rule, there are no carryovers or carry backs of the multiple activities tax credit. At such time as Rule 19301 is revised, the drafter should consider incorporating discussion about carrying over credit under the circumstances such that a person manufacturers property and leases the same.**



- **Subsection (8)(b) makes reference to seeking prior approval under special circumstances. At such time as the rule is revised, direction should be provided with information as to where to seek such approval, such as the Department's Taxpayer Services Division.**

4. Listing of documents reviewed: The reviewer need identify only those documents that were not listed in the previous review of the rule(s). Use “bullets” with any lists, and include documents discussed above. Citations to statutes, interpretive or policy statements, and similar documents should include titles. Citations to Attorney General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).

Statute(s) Implemented:

Interpretive and/or policy statements (e.g., ETAs, PTAs, and IAGs):

- **ETA 543.04.19301 Eligibility of Taxes for Multiple Activities Tax Credits**

Court Decisions:

Board of Tax Appeals Decisions (BTAs):

Appeals Division Decisions (WTDs):

Attorney General Opinions (AGOs):

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):

5. Review Recommendation:

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | Amend |
| <input type="checkbox"/> | Repeal/Cancel (Appropriate when action is not conditioned upon another rule-making action or issuance of an interpretive or policy statement.) |
| <input checked="" type="checkbox"/> | Leave as is (Appropriate even if the recommendation is to incorporate the current information into another rule.) |
| <input type="checkbox"/> | Begin the rule-making process for possible revision. (Applies only when the Department has received a petition to revise a rule.) |

Explanation of recommendation: Provide a brief summary of your recommendation, whether the same as or different from the original review of the document(s). If this recommendation differs from that of the previous review, explain the basis for this difference.



If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

- Correct inaccurate tax-reporting information now found in the current rule;
- Incorporate legislation;
- Consolidate information now available in other documents (e.g., ETAs, WTDs, court decisions); or
- Address issues not otherwise addressed in other documents (e.g., ETAs, WTDs, court decisions).

No changes in the application of the multiple activities tax credit have occurred as a result of legislation or court decisions since the previous review of Rule 19301. Consequently, there is no immediate need for this rule to be revised. At such time as the Department determines it appropriate to revise the rule, the recommendations made in this and the previous review should be incorporated.

6. Manager action: Date: 4/28/03

AL Reviewed and accepted recommendation

Amendment priority:

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